

RECLAMATION

Managing Water in the West

Environmental Assessment

Groundwater Savings Facility Storage Agreement

**Freeport-McMoRan Corporation
Roosevelt Water Conservation District**

Maricopa County, Arizona



**U.S. Department of the Interior
Bureau of Reclamation
Phoenix Area Office**

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Mission Statements

The U.S. Department of the Interior protects America's natural resources and heritage, honors our cultures and tribal communities, and supplies the energy to power our future.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

BACKGROUND

On December 21, 2005, the Secretary of the Interior (Secretary) executed a lease and option agreement (Lease) for Central Arizona Project (CAP) water among the Phelps Dodge Corporation (now Freeport-McMoRan Corporation), the Gila River Indian Community (Community), and the United States, collectively referred to as the “Parties.” The Parties re-confirmed the Secretary’s execution of the Lease and associated execution date through letter agreement in December 2013.

The initial term of the Lease was for a period of 50 years with an additional renewal term of 50 years. Under the terms of the Lease, Freeport-McMoRan Corporation is entitled to lease from the Community 12,000 acre-feet per annum of CAP water, with an option to lease an additional 10,000 acre-feet per annum of CAP water. Freeport-McMoRan may use the CAP water leased under this agreement for any lawful purpose, including (1) direct use at any location within the Central Arizona Water Conservation District (CAWCD) Service Area; (2) direct or indirect recharge at any location within the CAWCD Service Area; (3) direct use, including direct and indirect recharge, by diversions from the CAP canal at any location authorized by the Arizona Water Settlements Act (Act) of 2005; or (4) through exchange with the Community or other parties within the CAWCD Service Area allowing beneficial use of the water obtained in exchange, at any location authorized by the Act.

On August 21, 2013, Freeport-McMoRan Corporation executed a Groundwater Savings Facility (GSF) storage agreement (Storage Agreement) with the Roosevelt Water Conservation District (RWCD) to store CAP water it leases from the Community under the Lease. The initial term of the Storage Agreement would terminate on December 31, 2022, unless Freeport-McMoRan Corporation and RWCD agree in writing to terminate the Storage Agreement sooner. Beginning January 1, 2023, the Storage Agreement would be automatically renewed for an additional period of 10 years, unless either party provides written notice to terminate or renegotiate the terms of the Storage Agreement. Freeport-McMoRan Corporation has obtained a Water Storage Permit (No. 73-545695.1500) from the Arizona Department of Water Resources to store water in the RWCD GSF, pursuant to Arizona Revised Statute § 45-831.01. CAP water that is stored in the RWCD GSF would allow Freeport-McMoRan Corporation to earn long-term storage credits pursuant to Arizona Revised Statute § 45-852.01.

PURPOSE AND NEED FOR ACTION

Approval by Reclamation, on behalf of the Secretary, is needed before CAP water can be delivered to the RWCD GSF pursuant to the Storage Agreement. Reclamation considers the Storage Agreement to be an exchange agreement. Reclamation’s approval is needed in accordance with Section 6.8 of the Lease between Freeport-McMoRan and the Community and Section 5.3.12 of the Community’s CAP Contract, which necessitates Secretarial approval of all lease and exchange agreements of the Community’s CAP water.

PROPOSED ACTION

Under the proposed action, Reclamation, on behalf of the Secretary, would approve the delivery of leased CAP water from Freeport-McMoRan to the RWCD GSF as authorized under the Storage Agreement. During the term of the Storage Agreement, Freeport-McMoRan Corporation would have the right of first refusal to store up to 22,000 acre-feet per annum of CAP water in the RWCD GSF. On or before October 1 of each year, Freeport-McMoRan Corporation would submit an order to the CAWCD for a quantity of CAP water that RWCD has confirmed it is able to use in-lieu of ground water during the following calendar year.

CAP water conveyed to the RWCD under the Storage Agreement would be applied within the GSF only on a gallon-for-gallon substitute basis directly in lieu of ground water that RWCD otherwise would have pumped from the Phoenix Active Management Area (Phoenix AMA). According to the Storage Agreement, Freeport-McMoRan Corporation would have the right to store up to 12,000 acre-feet of CAP water in the RWCD GSF in calendar year 2014. In subsequent years, up to 22,000 acre-feet per annum of CAP water could be stored by Freeport-McMoRan Corporation. Freeport-McMoRan Corporation would have the right to recover, sell, or transfer long-term storage credits it earns from storage of CAP water at the RWCD GSF. Future recovery of long-term storage credits would occur in the Phoenix AMA. The proposed action would not require the construction of new facilities to deliver CAP water, result in ground-disturbing activity, or affect land use. CAP water would be delivered to existing agricultural land using existing water conveyance infrastructure in the RWCD service area.

NO ACTION ALTERNATIVE

Under the no action alternative, implementation of the Storage Agreement would not be approved by Reclamation and Freeport-McMoRan Corporation could not deliver and store in the RWCD GSF CAP water it leases from the Community.

DESCRIPTION OF THE ACTION AREA

RWCD's service area encompasses approximately 40,000 acres in the eastern portion of the greater Phoenix metropolitan area and includes portions of Mesa, Chandler, and Gilbert (Figure 1). Approximately 14,400 acres are eligible to receive irrigation water from the CAP. Water supplied from the CAP, Salt River Project (SRP), and approximately 50 groundwater wells, is distributed through a network of main canals and laterals to landowners within the service area. More than half of the service area consists of residential, municipal, industrial, and commercial properties. The remaining portion of the service area is comprised of agricultural land.

ENVIRONMENTAL CONSEQUENCES

No Action

Under the no action alternative, there would be no impact to environmental resources since no action would be implemented. In the long term, anticipated future urban growth will likely displace a significant portion of the remaining agricultural land in the RWCD service area,

shifting the emphasis from irrigated agriculture to irrigated urban landscapes. As future supplies of excess CAP water are allocated, RWCD will become more reliant on leased CAP water and other supplies of surface water to meet irrigation demand.

Proposed Action

There are no wildlife refuges, national parks, aquatic resources, wetlands, wilderness areas, unique ecological areas, or other unique or rare characteristics of the land that occur in the action area; consequently, the proposed action would have no effect on those resources. In addition, the proposed action would have no effect on biological resources, land use, air quality, or soils. Other environmental issues for which Reclamation has made a no effect determination are listed in Table 1.

Table 1. Effects determination for specified environmental issues.

Environmental Issues	No	Yes	Uncertain
This action would have an effect on public health or safety.	X		
This action or group of actions would have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources.	X		
This action would have highly uncertain environmental effects or involve unique or unknown environmental risks.	X		
This action would violate Federal, State, local, or tribal law or requirements imposed for protection of the environment.	X		
This action would have socioeconomic effects, or a disproportionately high and adverse effect on low income or minority populations (EO 12898).	X		
This action would have significant impacts on properties listed, or eligible for listing, on the National Register of Historic Places.	X		
This action would adversely impact traditional cultural properties or limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or substantially adversely affect the physical integrity of such sacred sites.	X		
This action would adversely affect a species listed, or proposed to be listed, as endangered or threatened.	X		
This action is related to other actions which are individually insignificant, but collectively will result in cumulatively significant effects.	X		
This action would affect Indian trust assets.	X		

Effect to Water Resources. RWCD presently takes delivery of 5,000 acre-feet per annum of excess CAP water through a connection with the Hayden-Rhodes Aqueduct to supplement existing supplies (primarily from SRP and groundwater wells) of irrigation water within the service area. In addition, CAP water from the Gila River Indian Community and other entities has been supplied through the Hayden-Rhodes Aqueduct connection for storage in the GSF. According to RWCD, there is sufficient permitted capacity in the GSF to store supplies of CAP water provided by Freeport-McMoRan Corporation under the Storage Agreement for the next several years.

Implementation of the Storage Agreement would reduce groundwater withdrawals in the GSF by an amount equivalent to the quantity of CAP water that Freeport-McMoRan Corporation would store. Upon recovery of the long-term storage credits 5 percent of the stored water would be

retained in the aquifer for the purpose of recharge. The long-term effect would be to conserve groundwater supplies that otherwise would be reduced in the absence of the proposed action.

AGENCIES AND PERSONS CONSULTED

An electronic copy of this Environmental Assessment (EA) has been posted for public viewing on Reclamation's Phoenix Area Office web site at www.usbr.gov/lc/phoenix. Paper copies of the EA were distributed to the following entities:

- Arizona Department of Water Resources
- Arizona Game and Fish Department
- Central Arizona Water Conservation District
- Roosevelt Water Conservation District
- U.S. Fish and Wildlife Service
- Gila River Indian Community

ENVIRONMENTAL LAWS AND DIRECTIVES CONSIDERED

This section presents a summary of selected federal laws, regulations, and Executive Orders considered in preparation of this EA.

National Environmental Policy Act of 1969, as amended (NEPA)

NEPA requires federal agencies to evaluate the potential environmental consequences of major federal actions. An action becomes "federalized" when it is implemented, wholly or partially funded, or requires authorization by a federal agency. The intent of NEPA is to promote consideration of environmental impacts in the planning and decision-making process prior to project implementation. This Environmental Assessment has been prepared in accordance with Council on Environmental Quality regulations (40 CFR 1500–1508), and Department of the Interior NEPA regulations (43 CFR 46). Pursuant to those regulations, public comment was considered in the determination whether to approve the delivery of CAP water under the Storage Agreement and whether a Finding of No Significant Impact was suitable for the action.

Fish and Wildlife Coordination Act of 1958 (FWCA)

The FWCA provides a procedural framework for the consideration of fish and wildlife conservation measures in federal water resource development projects. Coordination with the FWS is required on all federal water development projects. The effects of the CAP were originally addressed in an amended FWCA report prepared by the FWS in 1989. The proposed action is not a water development project, nor would it result in new water diversions or impoundments; consequently, coordination pursuant to the FWCA is not required.

Endangered Species Act of 1973 (ESA)

The ESA provides protection for plants and animals that are currently in danger of extinction (endangered) and those that may become extinct in the foreseeable future (threatened). Section 7 of this law requires federal agencies to ensure that all federally associated activities do not have adverse impacts on the continued existence of threatened or endangered species or designated areas (critical habitat) that are important in conserving those species. No changes to vegetation

or current land uses will result from this proposed action. Reclamation has concluded the proposed action would not affect any federally listed or proposed species and that a Biological Assessment does not need to be prepared.

Migratory Bird Treaty Act of 1918, as amended (MBTA)

The MBTA implements various treaties and conventions between the United States and Canada, Japan, Mexico, and the former Soviet Union for the protection of migratory birds. The MBTA prohibits the take, possession, import, export, transport, selling, or purchase of any migratory bird, their eggs, parts, or nests. The proposed action would not result in ground disturbances or changes to current land uses that would affect species protected by the MBTA.

Clean Air Act of 1963, as amended (CAA)

This law requires any Federal entity engaged in an activity that may result in the discharge of air pollutants must comply with all applicable air pollution control laws and regulations (Federal, State, or local). It also directs the attainment and maintenance of National Ambient Air Quality Standards (NAAQS) for six different criteria pollutants including carbon monoxide, ozone, particulate matter, sulfur oxides, oxides of nitrogen, and lead. The proposed action would not affect changes in emissions of air pollutants.

Clean Water Act of 1977, as amended (CWA)

This law establishes the basic structure for regulating discharges of pollutants into the nation's rivers, lakes, estuaries, and coastal waters. Under Section 404 of the CWA, the U.S. Army Corps of Engineers (Corps) regulates the discharge of dredged and/or fill material into waters of the U.S. including wetlands. The proposed action would not generate water pollutants.

National Historic Preservation Act of 1966, as amended (NHPA)

All areas to be served CAP water as a result of this proposed action already have been subjugated and have been subject to irrigation. The proposed action would not result in changes to existing land use; therefore, no effect to cultural resources is expected to occur.

Farmland Protection Policy Act

This law requires identification of proposed actions that would adversely affect any lands classified as prime and unique farmlands to minimize the unnecessary and irreversible conversion of farmland to nonagricultural uses. The U.S. Department of Agriculture's Natural Resources and Conservation Service administers this law. There will be no changes to current agricultural activities as a result of this proposed action; therefore, no effect to any lands classified as prime and unique farmlands are expected to occur.

Executive Order (EO) 11988 (Floodplain Management)

This Presidential directive encourages federal agencies to avoid, where practicable alternatives exist, the short- and long-term adverse impacts associated with floodplain development. Federal agencies are required to reduce the risk of flood loss; minimize the impacts of floods on human safety, health, and welfare; and restore and preserve the natural and beneficial values served by floodplains in carrying out agency responsibility. The proposed action would not affect floodplains or increase the risk of floods.

Executive Order 12898 (Environmental Justice)

EO 12898 requires federal agencies to identify and address, as appropriate, disproportionately high and adverse human health or environmental effects of federal actions on minority populations and low-income populations. The proposed action would not affect human health or the environment.

Executive Order 11990 (Wetlands)

EO 11990 requires federal agencies, in carrying out their land management responsibilities, to take action that would minimize the destruction, loss, or degradation of wetlands; and take action to preserve and enhance the natural and beneficial values of wetlands. The proposed action would not affect wetlands.

Department of the Interior, Secretarial Order, Indian Trust Assets (ITAs)

ITAs are legal interests in assets held in trust by the U.S. Government for Native American tribes or individual Native Americans. These assets can be real property or intangible rights including lands, minerals, water rights, hunting rights, money, and other natural resources. The trust responsibility requires that all federal agencies take actions reasonably necessary to protect ITAs. There are no known ITAs within the RWCD service area.

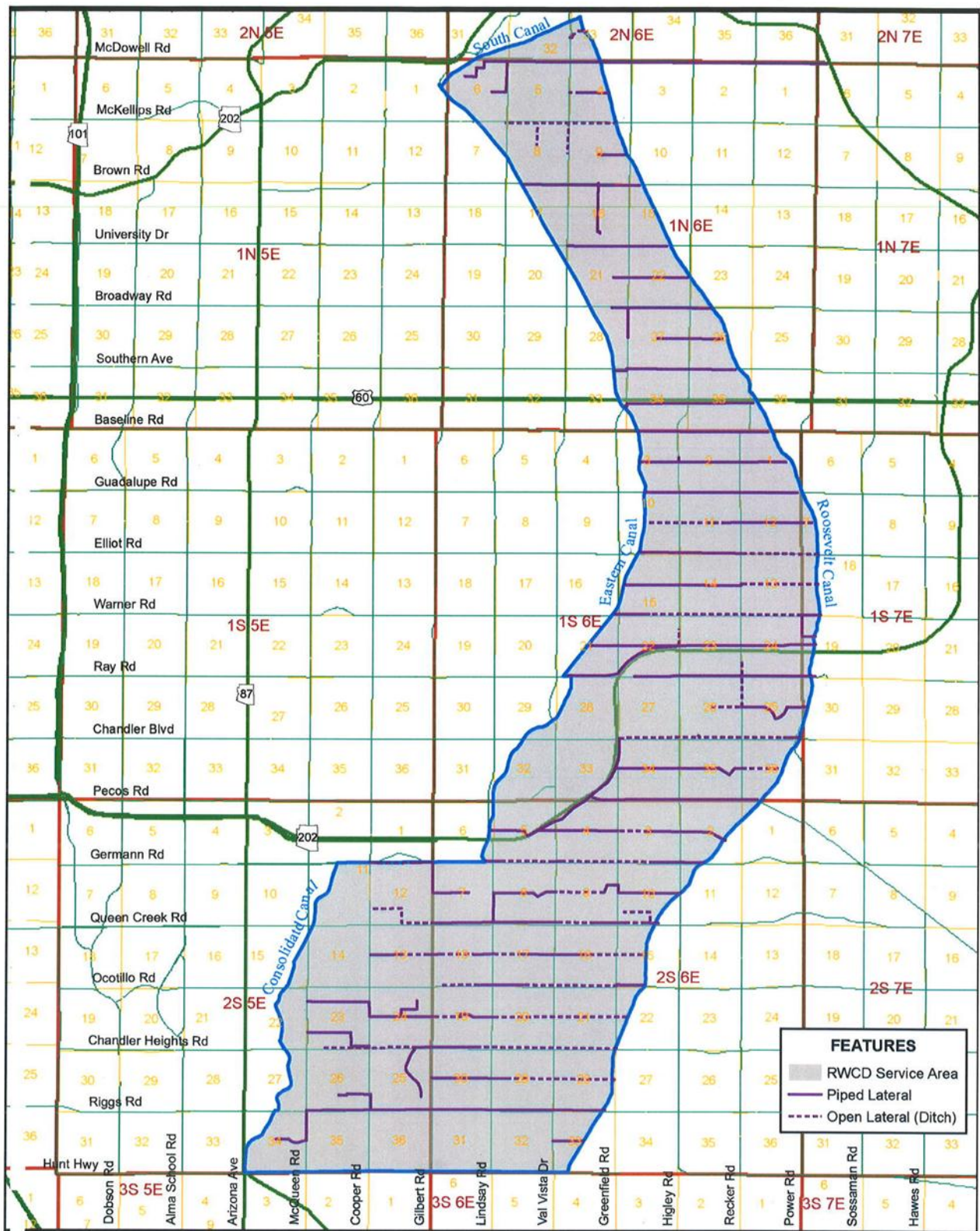


Figure 1. RWCD Service Area